

**Senate Bill No. 1563**

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Passed the Senate August 30, 2008

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*Secretary of the Senate*

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Passed the Assembly August 15, 2008

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2008, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add and repeal Section 1374.73 of the Health and Safety Code, and to add and repeal Section 10144.55 of the Insurance Code, relating to health care coverage.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1563, Perata. Pervasive developmental disorders.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires that health care service plan contracts and health insurance policies provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses, including, but not limited to, pervasive developmental disorder or autism, under the same terms and conditions applied to other medical conditions, as specified.

Until July 1, 2010, this bill would require the Department of Managed Health Care and the Department of Insurance to establish the Autism Workgroup for Equitable Health Insurance Coverage, to be comprised of specified persons, for purposes of, among other things, examining issues related to health care service plan and health insurance coverage of pervasive developmental disorder or autism, as defined. The bill would also require those departments and the workgroup to work in conjunction to review the standards and best practice guidelines adopted by the State Department of Developmental Services on the screening, diagnosis, assessment, intervention, and treatment of pervasive developmental disorder or autism and to develop recommendations on ensuring that health care service plans and health insurers provide appropriate and equitable coverage for those conditions. The bill would require those departments and the workgroup to submit those recommendations to the Legislature no later than July 1, 2009. The bill would provide that costs incurred by its provisions shall be paid with moneys from existing resources, as specified.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) Pervasive developmental disorder or autism is a group of complex medically based neurobiological disorders of unknown etiologies that require distinct types and courses of treatment that are to be covered by all health care service plans and health insurers.

(b) Existing law requires health care service plans and health insurers to provide coverage for the diagnosis and medically necessary treatment of severe mental illnesses, including, but not limited to, pervasive developmental disorder or autism. However, the roles and responsibilities of health care service plans and health insurers in providing that coverage are not well defined.

(c) Children and adults with pervasive developmental disorder or autism are frequently not receiving all appropriate interventions to address their conditions through health care service plans or health insurers.

(d) Citing a lack of consensus about the medical necessity of treatment for pervasive developmental disorder or autism, health care service plans and health insurers often deny coverage to persons with these conditions. In addition, health care service plans and health insurers do not consistently provide access to professionals with adequate training and expertise in pervasive developmental disorder or autism.

(e) In 2002, in response to direction from the Legislature, the State Department of Developmental Services produced and adopted best practices guidelines to ensure consistency and accuracy in the diagnosis, screening, and assessment of pervasive developmental disorder or autism, and subsequently published the statewide and nationally recognized publication: “Autistic Spectrum Disorders: Best Practice Guidelines for Screening, Diagnosis and Assessment.”

(f) In 2005, the State Department of Developmental Services initiated a project, in conjunction with multidisciplinary experts, consumers, stakeholders, and federal resources, including the National Standards Project, to establish recommendations on best practice guidelines for the intervention and treatment of autism. These recommendations will be submitted to the department by

December 2008, and shall be included in the review and recommendation process as outlined in Sections 2 and 3 of this act.

(g) In 2007, the California Legislative Blue Ribbon Commission on Autism recommended to the Governor and the Legislature that legislation should be enacted to ensure that all health care service plans and health insurers treat autism spectrum disorders as neurological medical conditions (brain-based disorders) and provide the same coverage as afforded to other medical conditions, such as stroke and other neurological disorders.

SEC. 2. Section 1374.73 is added to the Health and Safety Code, to read:

1374.73. (a) (1) In conjunction with the Department of Insurance, the Department of Managed Health Care shall establish the Autism Workgroup for Equitable Health Insurance Coverage, which shall include, but not be limited to, the following:

(A) Persons with pervasive developmental disorder or autism.

(B) Family members of individuals with pervasive developmental disorder or autism.

(C) Representatives from organizations who represent persons with pervasive developmental disorder or autism.

(D) Physicians and surgeons or other health care providers with expertise in pervasive developmental disorder or autism.

(E) Representatives from health care service plans and health insurers.

(F) Other individuals as deemed necessary by the Department of Managed Health Care and the Department of Insurance.

(2) The workgroup shall examine any gaps in coverage, the issues surrounding denial of coverage and discrimination, and the implementation of existing law that requires that health care service plan contracts and health insurance policies provide coverage for the diagnosis and medically necessary treatment of pervasive developmental disorder or autism.

(b) In conjunction with the Department of Insurance and the workgroup, the Department of Managed Health Care shall review the standards and best practice guidelines adopted by the State Department of Developmental Services on the screening, diagnosis, assessment, intervention, and treatment of pervasive developmental disorder or autism and shall develop recommendations on ensuring that health care service plans and health insurers provide

appropriate and equitable coverage for those conditions. The Department of Managed Health Care shall, in conjunction with the Department of Insurance and the workgroup, submit these recommendations to the Legislature no later than July 1, 2009.

(c) Costs incurred by the Department of Managed Health Care pursuant to the provisions of this section shall be paid with moneys from existing departmental resources within the Managed Care Fund, and no additional state general funds shall be used for the implementation of the requirements contained herein.

(d) For purposes of this section, “pervasive developmental disorder or autism” includes any of the pervasive developmental disorders as defined by the most current edition of the Diagnostic and Statistical Manual of Mental Disorders, including autistic disorder, Asperger’s syndrome, Pervasive Developmental Disorder Not Otherwise Specified, Rett syndrome, and childhood disintegrative disorder.

(e) This section shall remain in effect only until July 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

SEC. 3. Section 10144.55 is added to the Insurance Code, to read:

10144.55. (a) In conjunction with the Department of Managed Health Care and the Autism Workgroup for Equitable Health Insurance Coverage, as established pursuant to Section 1374.73 of the Health and Safety Code, the Department of Insurance shall review the standards and best practice guidelines adopted by the State Department of Developmental Services on the screening, diagnosis, assessment, intervention, and treatment of pervasive developmental disorder or autism and shall develop recommendations on ensuring that health care service plans and health insurers provide appropriate and equitable coverage for those conditions. The Department of Insurance shall, in conjunction with the Department of Managed Health Care and the workgroup, submit these recommendations to the Legislature no later than July 1, 2009.

(b) Costs incurred by the Department of Insurance pursuant to the provisions of this section and Section 1374.73 of the Health and Safety Code shall be paid with moneys from existing departmental resources within the Insurance Fund, and no

additional state general funds shall be used for the implementation of the requirements contained herein.

(c) For purposes of this section, “pervasive developmental disorder or autism” includes any of the pervasive developmental disorders as defined by the most current edition of the Diagnostic and Statistical Manual of Mental Disorders, including autistic disorder, Asperger’s syndrome, Pervasive Developmental Disorder Not Otherwise Specified, Rett syndrome, and childhood disintegrative disorder.

(d) This section shall remain in effect only until July 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.



Approved \_\_\_\_\_, 2008

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*Governor*